

**LIMITED SOURCES JUSTIFICATION**  
**ORDERS >\$3,000**  
**FAR PART 8.405-6(g)**

**2237 Transaction # or Vista Equipment Transaction #:** 589-11-3-4539-0022. This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service listed in par. 3 below is sole source, therefore, consideration of the number of contractors required by FAR Subpart 8.4 – Federal Supply Schedules, is precluded for the reasons indicated below.

**Restricted to the following source:** Olympus America, Inc.

**Manufacturer/Contractor:** Olympus America, Inc.

**Manufacturer/Contractor POC & phone number:** Brandt Beasley, 913-522-4887

**Mfgr/Contractor Address:** 3500 Corporate Parkway, PO Box 610, Center Valley, PA 18034-0610

**Dealer/Rep address/phone number:** N/A

☒ The requested material or service represents the minimum requirements of the Government.

**1. AGENCY AND CONTRACTING ACTIVITY:**

Department of Veterans Affairs

VISN 15

4101 S. 4<sup>th</sup> Street Trafficway

Bldg 71

Leavenworth, KS

**VISN:**

66048

**2. NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:**

Negotiations shall be conducted to procure leases with Olympus America Incorporated for medical scopes and related equipment. Circumstances require that this will be done without the benefit of full and open competition. The proposed contract vehicle shall be a delivery/ task order based on Olympus America's Federal Supply Schedule (FSS) with a period of 3 years. VISN 15 has already acquired multiple Olympus Endoscopes and this lease will align the VISN with the national mandate. This mandate is in reference to the VA Central Office memo entitled VHA National Standardization of Endoscopes, dated December 6, 2010.

**a. A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:**

The VA Heartland Network requires the lease of Olympus America's, Inc's medical scopes and related equipment. The lease will be done via a delivery/ task order off the vendor's FSS contract. VISN 15 has already acquired multiple Olympus Endoscopes and this lease will align the VISN with the national mandate. This is mandated by VA Central Office memo entitled VHA National Standardization of Endoscopes, dated December 6, 2010.

b. ESTIMATED DOLLAR VALUE: \$1,029,000.00 for a base and 2 one-year options.

c. REQUIRED DELIVERY DATE: N/A

**3. IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE. (CHECK ALL THAT APPLY AND COMPLETE)**

☒ Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.

Under 8.405-6(b)1, the use of limited sources procedures for Federal Supply Schedules may be used when only one source is capable of responding due to the unique or specialized nature of the work. The VA Heartland Network requires the leasing of numerous medical scopes and related equipment for veteran care. In the past VISN 15 had simply purchased this equipment but due to standardization and technology demands, VISN 15 must now lease their equipment. Under VHA Directive 2009-004 and VHA Handbook 1761.1, VHA authority has mandated that standardization of equipment, processes and procedures be implemented immediately to ensure patient safety and health. In addition, the April 19, 2010 Deputy Undersecretary for Health Operations and Management (DUSHOM) (10N) memo outlines guidance for VHA standardization of endoscopes (WebCIMS no. 451818.) This memo states that the integrated product team has deemed leasing to be the new level of standardization as it presents the VA the ability to standardize with greater efficiency, flexibility with new technology and accurately predict future maintenance costs.

VISN 15 has already begun standardizing itself on Olympus due to rapid changes in technology, to provide the least variance in quality of care and cleaning processes and minimize risk to patient safety. Also, the GI and operating room physicians are currently trained in the operation of Olympus equipment. Further, Olympus scopes offer technology which is most conducive with physician training and equipment operation. Therefore, the leasing of this brand would facilitate standardization in operating and cleaning processes. By using standardized equipment and processes, the goals of VHA Directive 2009-004 and 1761 can be more easily accomplished. The standardization of one brand of scopes would also facilitate consistent Standard Operating Procedures (SOP) to be written annually (in accordance with VHA Directive 2009-004).

Furthermore, this acquisition implements the April 19, 2010 Deputy Under Secretary for Health for Operations and Management (DUSHOM) (10N) memo which outlines guidance on VHA National Standardization of Endoscopes (WebCIMS No. 451818). In accordance with the DUSHOM memo, this procurement is consistent with the recommendations of the VHA Office of Procurement and Logistics (10F) Integrated Product Team (IPT), which was tasked with development of requirements for the national standardization of endoscopes throughout Veterans Health Administration to facilitate device standardization in order to reduce variability in endoscope processing and use.

☐ A patent, copyright or proprietary data limits competition. The proprietary data is:



---

---

---

---

☐ These are "direct replacements" parts/components for existing equipment.

---

---

☐ The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.

---

---

---

---

☐ The new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.

---

---

---

---

☐ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.

---

---

---

---

**4. DESCRIBE WHY YDU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.404(d) TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:**

VACO has mandated the standardization of medical scopes through the leasing of this equipment. VACO has also selected the vendor (s) that must be utilized. The contracting officer will ensure that products that are to be provided are consistent with GSA pricing. In accordance with 8.40(3)(d) GSA has determined pricing to be fair and reasonable.

VISN 15 has already begun standardizing itself on Olympus due to rapid changes in technology, to provide the least variance in quality of care and cleaning processes and minimize risk to patient safety. Also, the GI and operating room physicians are currently trained in the operation of Olympus equipment. Further, Olympus scopes offer technology which is most conducive with physician training

and equipment operation. Therefore, the leasing of this brand would facilitate standardization in operating and cleaning processes. By using standardized equipment and processes, the goals of VHA Directive 2009-004 and 1761 can be more easily accomplished. The standardization of one brand of scopes would also facilitate consistent Standard Operating Procedures (SOP) to be written annually (in accordance with VHA Directive 2009-004).

Furthermore, this acquisition implements the April 19, 2010 Deputy Under Secretary for Health for Operations and Management (DUSHOM) (10N) memo which outlines guidance on VHA National Standardization of Endoscopes (WebCIMS No. 451818). In accordance with the DUSHOM memo, this procurement is consistent with the recommendations of the VHA Office of Procurement and Logistics (10F) Integrated Product Team (IPT), which was tasked with development of requirements for the national standardization of endoscopes throughout Veterans Health Administration to facilitate device standardization in order to reduce variability in endoscope processing and use.

**5. DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:**

VACO has mandated the standardization of scopes through the leasing of this equipment. VACO has also selected the vendor (s) that must be utilized. The contracting officer will ensure that products that are to be provided are consistent with GSA pricing. VISN 15 has already acquired multiple Olympus Endoscopes and this lease will align the VISN with the national mandate.

**6. ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:**

None.

**7. A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:**

None.



**8. REQUIREMENTS CERTIFICATION:** I certify that the requirement outlined in this justification is a bonafide need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. (This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)

SIGNATURE

Derek F. Addison

NAME

VISN 15

FACILITY

DATE

7/27/11

VISN 15 CLO

TITLE

LOGISTICS

SERVICE LINE/SECTION

**9. APPROVALS IN ACCORDANCE WITH FAR 8.405-6(h):**

**a. CONTRACTING OFFICER'S CERTIFICATION** (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

CONTRACTING OFFICER'S SIGNATURE

Lori Kopacz, Contracting Officer

NAME AND TITLE

DATE

6/27/11

FACILITY

Contracting

**HIGHER LEVEL APPROVAL** (For orders over \$500,000): ☐ REQUIRED ☐ NOT REQUIRED

**b. QA OFFICER:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief. \*This signature may be the VISN NCM if the Contracting Officer and Contracting Supervisor is the same individual.

SIGNATURE

Christy R. Herbig

DATE

6/28/11

CHRISTY HERBIG  
QUALITY ASSURANCE COMPLIANCE MANAGER  
VISN 15

**c. NCM/or Designee:** I certify the justification meets requirements for restricting consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

BERNADETTE COTHERN  
VISN 15 NCM

DATE

7-11-2011

d. **SAO:** I certify the justification meets requirements for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

*Pernadette Cothran*  
PAMELA J. SANDERS  
for DIRECTOR  
SAO CENTRAL REGION

*8-4-2011*  
DATE

e. **VHA HCA'S REVIEW AND APPROVAL (over \$500,000 to \$10 million):** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4

*Robert S. Doyle*  
MR. NOBERT S. DOYLE  
ACTING CHIEF PROCUREMENT OFFICER  
VHA, HEAD OF CONTRACTING ACTIVITY (HCA)

*8/12/11*  
Date

f. **VA Senior Procurement Executive Approval (over \$10 million):** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for other than full and open competition.

JAN R. FRYE  
DEPUTY ASSISTANT SECRETARY  
OFFICE OF ACQUISITION AND LOGISTICS  
SENIOR PROCUREMENT EXECUTIVE (SPE)

Date